

# Power Cost Memorandum Fuel Cost Update

Date: **November 4, 2021**

Utility Name (Cert. No.) <b>Hughes Power &amp; Light Company (332)</b>	Utility File No. <b>PC09-0917P</b>	Date Filed: <b>October 20, 2021</b>
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PCE AMOUNT SUMMARY	Previously Approved PC09-0917O Date Approved: July 1, 2021	Staff Recommended Amount(s) and Effective Date PC09-0917P November 5, 2021
Class Rate  All	  \$0.4994	  \$0.5097
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <span style="float: right;"><input type="checkbox"/> Interim    <input checked="" type="checkbox"/> Permanent</span>		

Prior Fuel Purchase Price: <u>\$ 4.5185</u>	New Fuel Purchase Price: <b>\$ 4.9713</b>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: _____
Previous _____	Updated _____

Weighted Average Fuel Price/Gal. Calculation									
	Gallons		Price						
On-hand before deliv.	1,000	X	4.5185	=	\$		4,518.52		
Delivered	8,830	X	5.0225	=	\$		44,349.59		
	<u>9,830</u>				\$		<u>48,868.11</u>	Weighted Average	
									4.9713

Signed: *Brenda Cox*  
Brenda Cox

Utility Financial Analyst

**Commission decision re. this recommendation :**

	Date (if different from 11/4/21)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<i>RNP</i>		
Kurber		<i>KKL</i>		
Scott		<i>AGS</i> AGS		
Sullivan		<i>RNP</i> for DS		
Wilson		<i>JWW</i> JWW		

*Special Instructions to Staff:*

\* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

# HUGHES POWER & LIGHT COMPANY

APPENDIX 1

POWER COST EQUALIZATION CALCULATION  
BASED ON TEST YEAR ENDING JUNE 30, 2017

## Fuel Cost Update

	PC09-0917O	PC09-0917P	
	Prior Commission Approved	Utility Request	Staff Recommended
A. Total KWH Generated	463,447	463,447	463,447
B. Total KWH Sold (Appendix 2)	385,509	385,509	385,509
C. Total Non-Fuel Costs (Appendix 2)	80,328	80,328	80,328
<b>D. Non-Fuel Cost/KWH (C / B)</b>	<b>\$0.2084</b>	<b>\$0.2084</b>	<b>\$0.2084</b>
E. Total Fuel Costs (Appendix 2)	199,529	219,521	219,521
<b>F. Fuel Costs/KWH (E / B)</b>	<b>\$0.5176</b>	<b>\$0.5694</b>	<b>\$0.5694</b>
G. Eligible Costs/KWH (D + F)	\$0.7260	\$0.7778	\$0.7778
<b>H. Eligible Cost/KWH (G) Less 20.03 cents/kWh</b>	<b>\$0.5257</b>	<b>\$0.5775</b>	<b>\$0.5775</b>
I. Lesser of (H) or 79.97 cents/kWh	\$0.5257	\$0.5775	\$0.5775
J. Average Class Rates (Appendix 3) All	\$0.5097	\$0.5097	\$0.5097
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95%, or (J) All	\$0.4994	\$0.5097	\$0.5097
<b>L. Funding Level in Effect</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
All	<b>\$0.4994</b>	<b>\$0.5097</b>	<b>\$0.5097</b>

PC09-0917P  
Appendix 1

# HUGHES POWER & LIGHT COMPANY

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY  
BASED ON TEST YEAR ENDING JUNE 30, 2017

## Fuel Cost Update

		PC09-0917O		PC09-0917P
		Prior Commission Approved	Per Utility	Staff Recommended
<b>Non-Fuel Costs:</b>				
A.	Personnel Expense	57,976	57,976	57,976
B.	Operating Expense	13,502	13,502	13,502
C.	General and Administrative Expense	6,223	6,223	6,223
D.	Depreciation Expense	2,627	2,627	2,627
E.	Interest Expense	-	-	-
<b>F.</b>	<b>Total Non-Fuel Costs</b>	<b>80,328</b>	<b>80,328</b>	<b>80,328</b>
<b>Fuel Costs:</b>				
G.	Gallons Consumed for Electric Generation	44,158	44,158	44,158
H.	Price of Fuel: (per gal.) Weighted Average	<b>4.5185</b>	<b>4.9713</b>	<b>4.9713</b>
<b>I.</b>	<b>Total Fuel Costs</b>	<b>199,529</b>	<b>219,521</b>	<b>219,521</b>
J.	kWh Generated	463,447	463,447	463,447
K.	kWh Sales	385,509	385,509	385,509
L.	kWh Station Service	40,773	40,773	40,773
M.	Efficiency (J / G)	<u>Standard</u> 10.5	10.50	10.50
N.	Line Loss	8.02%	8.02%	8.02%
(kWh generated - (kWh Sold + Station Service))/kWh generated				

### Calculation of Weighted Average Fuel Price

On Hand	1,000	\$4.5185	\$	4,518.52	<b>Weighted Average 4.9713</b>
Delivery	8,830	\$5.0225	\$	44,349.59	
	9,830		\$	48,868.11	

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Appendix 2

**CALCULATION OF AVERAGE CLASS RATE PER kWh**

 Rate Schedule: **All**

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(7) Avg. Rate (\$/kWh) - \$ 0.2003
0 to 500	0.7100		0.7100	355.0000	
to					
to					
to					
<b>Max</b> 500			<b>Total</b>	<b>355.0000</b>	<b>0.5097</b>

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(7) Avg. Rate (\$/kWh) - \$ 0.2003
0 to					
to					
to					
to					
<b>Max</b> 500			<b>Total</b>		

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) 4.126	(5) Total \$ (1x4)	(7) Avg. Rate (\$/kWh) - \$ 0.2003
0 to					
to					
to					
to					
<b>Max</b> 500			<b>Total</b>		

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(7) Avg. Rate (\$/kWh) - \$ 0.2003
0 to					
to					
to					
to					
<b>Max</b>			<b>Total</b>		

# HUGHES POWER AND LIGHT COMPANY

	Date	Gallons	Cost per Gallon	Delivery/ Mark-up	Total Cost
Beginning Fuel Inventory		1,000			
Last Approved Fuel Cost/Gal.			4.5185		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory					\$ 4,519
Reporting Period Purchases	03/19/21	4,490.0	4.9326		\$ 22,147
	05/05/21	4,340.1	5.1156		\$ 22,202
Totals for Reporting Period Purchases on this sheet:		8,830			\$ 44,350
Grand Totals (beginning inventory plus purchases)		<u>9,830</u>			<u>\$ 48,868</u>
Total Cost for Reporting Period divided by Total Gallons for Reporting Period =					<u>\$ 5.0225</u>
Grand Total Cost divided by Grand Total Gallons =					<u>\$ 4.9713</u>

Note: Staff included the AK State Fuel Surcharge of \$0.0095/gallon, the Federal LUST tax of \$0.001/gallon, and the Federal Oil Spill Tax of \$0.0021/gallon in the calculation above. These taxes are on Everts Air Fuel invoice # 108628 and #107432 and Hughes did not include them on its fuel report.

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